

**DIVISIONS**

Archives  
Business Programs  
Business Filings  
Notary Public  
Uniform Commercial Code  
Elections  
Information Technology  
Management Services  
Political Reform



**BILL JONES**  
**Secretary of State**  
**State of California**

**EXECUTIVE OFFICE**

1500 11<sup>th</sup> Street, 6<sup>th</sup> Floor  
Sacramento, CA 95814  
(916) 653-7244  
(916) 653-4620 FAX  
[www.ss.ca.gov](http://www.ss.ca.gov)

February 9, 2000

Mr. Peter McNamee  
Project Manager  
Little Hoover Commission  
925 L Street, Suite 805  
Sacramento, CA 95814

Dear Mr. McNamee:

Thank you for inviting me to discuss the use of technology in state government. During the last five years at the Secretary of State's office, we have been able to transition from one of the most technologically backward government agencies to one of the national leaders in providing information technology services to our staff and our customers.

From my experience implementing more than a dozen major technology projects at the Secretary of State's office, I have learned a great deal about the manner in which California government, reviews, plans, approves, funds, and implements technology programs. To help put my experience to use in helping improve the statewide use and procurement of technology solutions, I have prepared the attached California eGovernment Plan. If implemented my plan will help put 90% of government services online by 2002 while also taking important steps toward closing the Digital Divide to ensure that no Californians are left behind in the rush to take advantage of the opportunities provided by technology.

During my testimony before the Little Hoover Commission, I will review this plan and welcome any questions posed by the panel. I look forward to speaking with you on February 24<sup>th</sup>.

Sincerely,

Bill Jones  
Secretary of State  
State of California

# **CALIFORNIA eGOVERNMENT PLAN**

---

A STATEWIDE TECHNOLOGY INITIATIVE

---

**SECRETARY OF STATE  
BILL JONES**



December 1999

# Secretary of State Bill Jones California eGovernment Plan

## Table of Contents

|  |          |
|--|----------|
| <b>Introduction</b>  | <b>1</b> |
| <b>eGovernment Vision for Californians</b>   | <b>2</b> |
| <b>Create a California eGovernment Portal on Internet</b>                            | <b>3</b> |
| Require eGovernment Plan by 2000   |          |
| Agencies and Departments 90 Percent On-line By 2002                                  |          |
| Public-Private Partnerships  |          |
| <b>Closing the Digital Divide: Computer Education, Training and Access</b>           | <b>4</b> |
| Internet Access Scholarships   |          |
| Computer Access Scholarships   |          |
| Used Computer Clearinghouse  |          |
| Computer and Internet Proficiency Exams for Eighth Grade Graduation                  |          |
| <b>Streamline the Bureaucracy of State Technology Projects</b>                       | <b>5</b> |
| Elevate State Chief Information Officer to Cabinet-Level Position                    |          |
| Streamline Process-Focused Bureaucracy   |          |
| Streamline State Procurement Process   |          |
| <b>Reform State Personnel System to Recruit and Retain Highly Qualified IT Staff</b> | <b>7</b> |
| Opportunity Scholarships   |          |
| Efficiency Bonuses for Information Technology Staff and Project Managers             |          |
| <b>Funding Technology Projects</b>   | <b>8</b> |
| eGovernment Fund   |          |
| Reinvesting the Efficiency Dividend  |          |
| <b>Resolve Legal Hurdles to Expand California eGovernment</b>                        | <b>9</b> |
| California Digital Identification Act  |          |
| California Electronic Privacy Act  |          |



**BILL JONES**  
Secretary of State  
State of California

# INTRODUCTION

## Closing the Digital Divide and Creating an eGovernment Framework for California

California is the birthplace of the information age. But our state government lags far behind in using this technology to deliver a more efficient government to our citizens. In the development of the Internet and e-commerce, California industries lead the world but when it comes to state government California goes from first to worst.

Earlier this year, the plan to implement one single technology application at the Department of Motor Vehicles was described as the "crowning achievement" of the current gubernatorial administration. This limited view ignores advances in the use of technology employed by governments in far-flung places like Spain, Belgium and Singapore, where leaders are recognizing the power of an information tool that is projected to host \$700 billion in transactions in our global marketplace by 2002. Focus on individual projects rather than a revision of the entire technology infrastructure of California will stifle innovation and prolong state government inefficiency.

As we enter the new century, California must work to eliminate not only the "Digital Divide" that threatens to leave our inner cities' youth behind, but also the "Digital Divide" between California government and all other states. The Executive and Legislative branches must work together to fundamentally reform our state government technology infrastructure so that taxpayers ultimately get **less** government by developing a more **efficient** government. We should never ask California taxpayers to expect less efficiency from government than they demand from the private sector on a daily basis. Accordingly, eGovernment should be defined as **electronic**, **efficient** and **easier** to use government for all California citizens. **California citizens should be online—not in line.**

At the Secretary of State's Office, we have made great strides toward a more efficient government through numerous successful technology projects, including: *live* Internet display of election results, electronic filing of campaign disclosure reports, the development of a consolidated electronic statewide voter file and extensive use of the Internet to deliver information and services to our constituents. Learning from the success of these projects, I have developed this plan to move all of California government into the electronic arena.

My plan is an aggressive blueprint to return state government from worst to first in using eGovernment technology to deliver more efficient services to our taxpayers. Most importantly, my technology reforms were developed so that we close the "Digital Divide" and leave no one behind—no child, no adult and no state employee—through education, training and Internet access for all segments of society. I welcome your suggestions and comments on this plan—please e-mail them to me at [Bjones@ss.ca.gov](mailto:Bjones@ss.ca.gov).

*Bill Jones*

Secretary of State  
State of California

# eGovernment Vision for Californians

During the course of a year, California businesses and individuals need to interact with countless departments in the federal, state and local governments. Inevitably, they are trapped in a phone system, confronted by an inflexible bureaucrat or forced to spend hours in-line to accomplish a menial task.

If government would simply catch up to the private sector, we could provide access to any of the following common transactions electronically, rather than in person:

- Update the address on a driver's license (State)
- Change the address on car registration (State)
- Update their voter registration card (Local)
- Pay tickets, fines and fees (State and Local)
- Update professional licenses (State)
- Enroll children in school (Local)
- Sign up for University or Community College courses (State and Local)
- Pay individual and business income taxes (State and Federal)
- Transmit sales tax revenue to the Board of Equalization (State)
- Apply for and receive a business license (Local)
- Apply for and receive building permits (Local)
- Provide a forwarding address with the U.S. Post Office (Federal)
- Apply for and receive state procurement contracts (State)
- Conduct all state budgeting and financial transactions (State)
- Complete and transmit payment for state employee expense reimbursements (State)

Federal, state and local government should all work together to provide electronic access to all the services that taxpayers need from one single Internet location. By expanding 24-hour access to all government services, taxpayers can accomplish all their government transactions on-line instead of in line.

# Create a California eGovernment Portal on the Internet

Californians should be on-line, not in line. To ensure that Californians can access all the Government services they need without ever opening a phone book or visiting a brick and mortar state office building, one single Internet site should be developed to ensure access to all state services needed at any given time.

Every Californian should be able to visit a single portal on the Internet that would provide a list of services needed at various times in their life. When an individual moves to or from the state, starts a business, pays taxes, buys a car, has a child or suffers the death of a family member, a list of all necessary state services should be available in an easy-to-find electronic format on the state's Internet portal.

To develop this portal and ensure that resources are committed to providing this service, California should enter into a public-private partnership to facilitate the implementation of interactive eGovernment solutions. The partnership should develop a one-stop, eGovernment portal that will allow access to all on-line government services from one Internet site.

## **Require State Agencies to Develop an eGovernment Plan By Mid-Year 2000 and be 90 Percent On-line by 2002**

State agencies should immediately conduct an assessment of their existing business practices and computer systems. Agencies should provide the Governor with a list of all processes they administer that provide information and services either directly to the citizens or to other state agencies. Agencies should provide a prioritized list of applications and programs that can be Internet-enabled to the Governor by March 1, 2000. **The Governor should require agencies to provide 90 percent of their services over the Internet by 2002.**

## **Public-Private Partnerships**

State agencies should maximize the use of low or no-cost public-private partnerships to rapidly deploy web-based computer services.

The Secretary of State's office has successfully tested and implemented several new technologies that were provided through public-private partnerships. The nation's first and most widely used *live* Internet display of election results and the early stages of Internet campaign finance disclosure were all made possible through the assistance and cooperation of private sector companies that provided their services to the state at little or no cost in exchange for an opportunity to test their products and receive well-earned publicity for their company's capabilities.

# **Closing the Digital Divide: Computer Education, Training and Access**

## **Internet Access Scholarships**

To ensure that all Californians are poised to benefit from the educational and commercial potential of the Internet, the state shall provide tax incentives to promote universal access to the Internet. Internet Service Providers who provide low-cost Internet access to subscribers from low-income households shall be provided tax credits for the service they provide.

Internet Service providers who provide Internet access to low-income households for \$5.00 or less per month should be eligible to receive a tax credit from the State of California of \$5.00 per subscriber per month.

## **Computer Access Scholarships**

Companies that provide low-income households with an Internet-accessible computer for \$10.00 per month or less should be eligible to receive a tax credit from the State of California of \$10.00 per subscriber per month.

## **Used Computer Clearinghouse**

The State of California should create a non-profit charitable clearinghouse for the donation and distribution of Internet-accessible used computers from public and private entities to schools and low-income households. In-kind donation of computers to the clearinghouse should be tax deductible.

## **Internet Proficiency Required for Eighth Grade Graduation**

Prior to Eighth Grade Graduation, students in California public schools must be taught and be able to demonstrate basic computer literacy and a proficiency in the fundamentals of Internet navigation.

# Streamline the Bureaucracy of State Technology Projects

While states like Washington, Pennsylvania and Florida are preparing for the e-Economy by performing reverse auctions and building e-procurement systems, California government suffers from a lack of executive leadership for information technology. With responsibility for implementing eGovernment divided between department and agency Chief Information Officers (CIO); the State CIO; the Technology Investment Review Unit (TIRU) of the Department of Finance; and the Director of the Governor's Office of Innovations, it is difficult to believe that cohesive leadership can be formed to put California in an eGovernment leadership role.

## Elevate State CIO to Cabinet Level Position

The state should elevate the Department of Information Technology (DOIT) to a cabinet-level position. The state's Chief Information Officer should be involved in major policy discussions and decisions and should ensure that the state's technology infrastructure is prepared to implement those policy changes.

The state CIO should continually provide the Governor with suggestions to improve governmental efficiency through technology.

Agency and Department CIO's should report to both their Agency Secretary or Department Director and the State CIO.

## Streamlining a Stifling Process-Focused Bureaucracy

With the creation of DOIT by Senate Bill 1 in 1996, the Department of Finance Office of Information Technology (OIT) was supposed to be eliminated. The Governor's Task Force on Government Technology Policy and Procurement stated:

*Eliminate the Office of Information Technology: The Office of Information Technology does not add significant value in either IT advocacy or oversight. State departments and agencies expect OIT to provide services that support their IT vision and initiatives and add value to the process of IT development and procurement. Instead, they are confronted with a process-focused organization whose objectives conflict with departmental and project objectives.*

The OIT still exists today (renamed Technology Investment Review Unit), and it still does the same work they have done in the past, only now in addition to OIT, the agencies and departments must also seek DOIT approval for projects. The creation of DOIT without elimination of TIRU/OIT has made the project initiation process more bureaucratic and process-focused than result-oriented.

State agencies and departments are challenged with preparing documents for bureaucratic organizations—adding significant time to the already arduous review process. Instead of focusing on innovation and thought leadership, state departments and agencies focus on filling out paperwork and



getting permission to implement statutory programs. The present bureaucratic and redundant approval process is not adding value to the departments' and agencies' fulfillment of their missions.

The Technology Investment Review Unit should be eliminated and its substantive work completed during the Department of Information Technology review process.

## **Streamlining the State Procurement Process**

The procurement process should be revised to allow government purchases of technological equipment in a more expedient manner. Technology tools should be used to provide instantaneous approval of procurement contracts.

California has made significant efforts to reinvent the IT procurement process. Although some progress has been made, the bureaucracies created to solve the problem have once again made the problem worse. The State Auditor recently stated:

*...DGS [Department of General Services] should provide departments with sufficient, easy-to-use tools to help...determine value. Such tools could include improved Internet resources or catalogs organized by product that include price.... To avoid hindering a department's ability to efficiently acquire goods or services, the DGS should supply clear and consistent guidance on all state contracting and purchasing issues. The DGS should also provide a complete list and accessible list of master service agreements to departments to enable them to take advantage of the State's collective buying power by using such agreements more often and more effectively.*

Ironically, the use of new procurement processes—CMAS and MSA—largely for technology purchases, are suffering not because the process is misguided, but because the very technology tools that can cure the shortcomings identified by the Auditor have not been appropriately applied to the procurement processes themselves.

And, notwithstanding the fact that the creation of the CMAS and MSA have helped to speed the procurement process, they have not addressed the large complex IT failures that California is unfortunately now so famous for delivering.

The state needs to reform the procurement process for large complex IT projects so that risk and success is shared with the private sector. The best practices of the private sector, along with the successes in other states, should form the basis for a reform of California IT procurement.

# **Reform State Personnel System to Recruit and Retain Highly Qualified IT Staff**

The rapid turnover and shortage of qualified Information Technology professionals in State Government is a growing problem that threatens the state's ability to implement complex eGovernment solutions. The high salaries and opportunities available in the private sector are driving numerous skilled employees out of state service at an alarming rate.

The state should significantly revise the pay and classification structure for Information Technology professionals. Qualification standards should be updated to reflect current technologies and compensation levels should be elevated to be competitive with industry. To be a true partner with the private sector in technology ventures, to bridge the gap between service providers and program managers, and to manage day-to-day functions critical to program delivery, the state will need a pool of skilled, qualified employees.

Exemptions to civil service hiring procedures should be granted to qualified IT recruits who agree to remain in state service for at least four years.

## **Create Opportunity Scholarships to Recruit State IT Staff**

The State of California should provide scholarships or low cost student loans through the University of California, California State University and California Community Colleges to promising computer science majors who commit to working in state service for at least four years after graduation.

## **Efficiency Bonuses for State IT Staff and Project Managers**

A portion of the cost savings that result from efficiency created through the implementation of technology projects shall be used to provide bonuses of up to ten percent per year for the Information Technology project manager and staff who developed the cost saving application. The bonuses may be received each year the savings are realized, provided that the employee continues to work for the same state department.

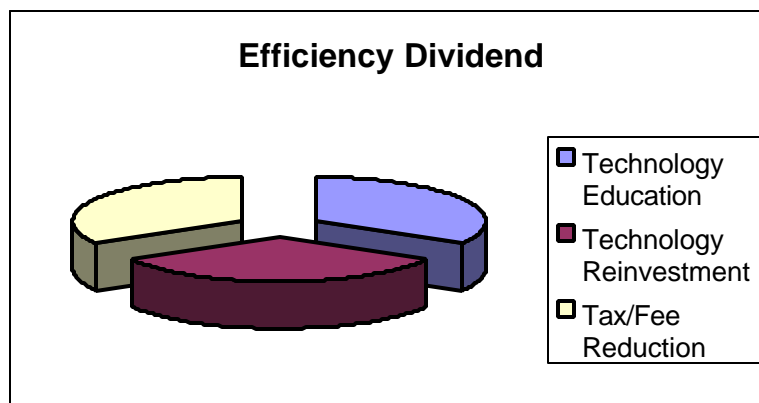
# Funding Technology Projects

## eGovernment Fund

The Legislature should create an eGovernment implementation fund and provide seed capital of \$100,000,000 to provide a source of funds for agencies and departments to rapidly develop Internet-accessible services.

## Reinvesting the Efficiency Dividend

The cost savings derived from efficiencies created by new technology projects shall be placed in a reinvestment fund established by each agency. The funds shall be dispersed in three equal parts: (1) Reinvestment in Technology (including employee bonuses), (2) Technology Education Fund, and (3) Tax/Fee Reductions and Rebates.



# Resolve Legal Hurdles to Expand California eGovernment

## California Digital Identification Act

Under current practices, the reliability of a digital signature is only as strong as the verification of the identification that was conducted before the digital signature certificate was issued to the signer of the document. In the paper arena, an individual only possesses one version of his or her own signature, but it is possible for one individual to control multiple different signature key pairs used to create digital signatures on electronic documents.

Many government transactions require clear proof of identity—proof that is not provided by existing digital signatures. To tie existing digital signatures to identification, this legislation would require the Department of Motor Vehicles (DMV) to work with Certification Authorities to provide one and only one digital signature key pair to any Californian who requests one and provides proof of identification to the DMV. Identification must be checked in-person by DMV staff prior to the issuance of a digital identification.

Upon passage of this legislation, DMV-issued digital identification will be deemed sufficient proof of identification for all electronic transactions with public entities that would otherwise require proof of identification.

## California Electronic Privacy Act

Before accessing information or conducting transactions on state government web sites, Internet users should be informed what, if any, additional information is being collected and for what purposes that data will be used.

Information collected by government agencies on individual Internet users shall only be publicly disclosed in the aggregate form. Specific information on individual visitors to government web sites shall not be collected or maintained without the unambiguous consent of the web site visitor.